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AMENDED IN SENATE SEPTEMBER 9, 2009

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CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 1108**

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**Introduced by Assembly Member Fuentes**

February 27, 2009

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~~An act to amend Sections 739.5, 2791, 2796, and 2797 of, to repeal Sections 2793, 2794, 2795, and 2799 of, and to repeal and add Sections 2792 and 2798 of, An act to add and repeal Section 2800 of the Public Utilities Code, relating to utility service.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 1108, as amended, Fuentes. Electric and gas utility service: master-meter customers.

~~(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires that, when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar~~

~~residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or electricity directly from the gas or electrical corporation. Existing law additionally requires the electrical or gas corporation to establish uniform rates to master-meter customers at a level that will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the corporation would have incurred in providing comparable services directly to the users of the service (master-meter discount). Existing law provides that every master-meter customer is responsible for the maintenance and repair of its submeter facilities beyond the master meter.~~

~~This bill would make the existing provisions of law relating to master-meter customers applicable only to master-meter customers providing submetered service to tenants of an apartment building or similar multifamily residential dwelling. The bill would adopt separate provisions that are applicable to a master-meter customer that provides submetered service to tenants of a mobilehome park or manufactured housing community prior to any transfer of responsibility for gas or electric service to the gas or electrical corporation, as described below. These provisions would authorize the commission, if it finds that a master-meter customer has failed to maintain or repair its submeter facilities beyond the master meter, to order the master-meter customer to maintain or repair those facilities and would require the commission, in addition to the commission's authority to make or enforce orders pursuant to the Public Utilities Act, to order that certain moneys received as a result of the master-meter discount be held in trust, by the owner, to be expended for maintenance and repair of the submetered facilities of the mobilehome park or manufactured housing community or to be paid to the gas or electrical corporation assuming responsibility for the gas or electric service.~~

~~(2) Existing~~

~~Existing law authorizes the owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents to transfer ownership and operational responsibility for its gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located, pursuant to specified transfer and cost allocation procedures.~~

~~This bill would require the commission to open a rulemaking *Public Utilities Commission*, by July 1, 2011, to open an investigation or other~~

appropriate proceeding and adopt criteria for determining *to evaluate and report to the Legislature, by January 1, 2013*, when an owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents of the park or community ~~will~~ *should* be required to transfer responsibility for gas or electric service, ~~along with those plant, facilities, and interests in real property that the gas or electrical corporation determines are necessary, convenient, or cost effective to provide service,~~ to the gas or electrical corporation providing service in the area in which the park or community is located, ~~along with those plant, facilities, and interests in real property that the gas or electrical corporation determines are necessary, convenient, or cost effective to provide service.~~ The bill would require the commission, ~~in consultation to consult~~ with the Department of Housing and Community Development and county departments of weights and measures, ~~to develop a system for inspections for determining~~ *identify* those master-metered mobilehome parks and manufactured housing communities ~~that, under the criteria established by the commission, are to transfer responsibility for the gas or electric service to the gas or electrical corporation. The bill would require the commission to order the transfer of service if the commission finds that a master-metered mobilehome park or manufactured housing community meets the criteria. The bill would require the gas or electrical corporation to either acquire, improve, upgrade, repair, or replace those plant and facilities the gas or electrical corporation determines are necessary, convenient, or cost effective to provide service and undertake the responsibility for operating and maintaining them, or to extend its own system in parallel to the existing submetered system. The bill would require the commission, by January 1, 2010, to open a proceeding to adopt rules that authorize gas and electrical corporations to extend corporation-owned lines, plant, facilities, and systems to provide service consistent with applicable laws, standards, and rules, that balance certain goals and requirements. The commission would be required to establish a procedure for identifying mobilehome parks and manufactured housing communities with unsafe or substandard gas or electric systems and, in coordination with the Department of Housing and Community Development and the county departments of weights and measures, to establish a recommended phase-in schedule for improving, upgrading, repairing, replacing, or extending a corporation's own system in parallel to the existing submetered system, to address those unsafe or substandard systems and to prioritize the transfer of gas or electric~~

~~systems with unsafe or substandard conditions. The bill would require the commission to promptly establish interim balancing accounts or, upon request, memorandum accounts, to permit the gas or electrical corporation to recover, in its revenue requirements and rates, the costs the commission finds reasonable for the corporation's evaluation, improvement, upgrade, repair, replacement, acquisition, extension of its own system in parallel to the existing submetered system, operation, and maintenance of plant, facilities, and interests in real property to serve the mobilehome park or manufactured housing community and the tenants of the park or community. The bill would require the commission to address, in each gas or electrical corporation's next general rate case, or other appropriate proceeding, a method to replace any interim balancing accounts or memorandum accounts, consistent with the commission's standard ratemaking practices with unsafe or substandard conditions that should be transferred.~~

~~Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.~~

~~Because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.~~

~~(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.~~

~~State-mandated local program: yes-no.~~

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 2800 is added to the Public Utilities Code,
- 2     to read:
- 3     2800. (a) By July 1, 2011, the commission shall open an
- 4     investigation or other appropriate proceeding to evaluate and
- 5     report to the Legislature when the owner of a master-metered
- 6     mobilehome park or manufactured housing community that
- 7     provides gas or electric service to residents should be required to
- 8     transfer responsibility for gas or electric service to the gas or
- 9     electrical corporation providing service in the area in which the
- 10    park or community is located, along with those plant, facilities,

1 *and interests in real property that the gas or electrical corporation*  
2 *determines are necessary, convenient, or cost effective to provide*  
3 *service.*

4 *(b) The commission shall consult with the Department of*  
5 *Housing and Community Development and the county departments*  
6 *of weights and measures to identify those gas or electric systems*  
7 *with unsafe or substandard conditions that should be transferred.*  
8 *The report shall include a recommended phase-in schedule for the*  
9 *potential transfers and the estimated costs to the gas or electrical*  
10 *corporations for the transfers of responsibility.*

11 *(c) The report shall balance the goal of providing residents of*  
12 *mobilehome parks and manufactured housing communities with*  
13 *gas and electric service that is as safe and reliable as that which*  
14 *the commission requires gas and electrical corporations to supply*  
15 *to residential customers and the requirement of fairness to the gas*  
16 *or electrical corporation's ratepayers, who have already*  
17 *reimbursed the master-meter customer for maintenance costs,*  
18 *operating costs, return on investment, and depreciation, as well*  
19 *as other costs associated with providing submetered electric and*  
20 *gas service, through the rate differential afforded master-meter*  
21 *customers pursuant to Section 739.5.*

22 *(d) The commission shall report the plan to the Legislature no*  
23 *later than January 1, 2013. The report shall be submitted in*  
24 *compliance with Section 9795 of the Government Code.*

25 *(e) Pursuant to Section 10231.5 of the Government Code, this*  
26 *section is repealed on January 1, 2017.*

27 **SECTION 1.** ~~Section 739.5 of the Public Utilities Code is~~  
28 ~~amended to read:~~

29 ~~739.5. (a) (1) The commission shall require that, if gas or~~  
30 ~~electric service, or both, is provided by a master-meter customer~~  
31 ~~to users who are tenants of an apartment building or similar~~  
32 ~~multifamily residential dwelling, the master-meter customer shall~~  
33 ~~charge each user of the service at the same rate that would be~~  
34 ~~applicable if the user were receiving gas or electricity, or both,~~  
35 ~~directly from the gas or electrical corporation.~~

36 ~~(2) The commission shall require the gas or electrical~~  
37 ~~corporation furnishing service to the master-meter customer to~~  
38 ~~establish uniform rates for master-meter service at a level that will~~  
39 ~~provide a sufficient differential to cover the reasonable average~~  
40 ~~costs to master-meter customers of providing submeter service at~~

1 an apartment building or similar multifamily residential dwelling;  
2 except that these costs shall not exceed the average cost that the  
3 corporation would have incurred in providing comparable services  
4 directly to the users of the service.

5 (b) Every master-meter customer of a gas or electrical  
6 corporation subject to subdivision (a) who receives any rebate  
7 from the corporation shall distribute to, or credit to the account of,  
8 each current user served by the master-meter customer that portion  
9 of the rebate which the amount of gas or electricity, or both,  
10 consumed by the user during the last billing period bears to the  
11 total amount furnished by the corporation to the master-meter  
12 customer during that period.

13 (c) An electrical or gas corporation furnishing service to a  
14 master-meter customer shall furnish to each user of the service  
15 within a submetered system at an apartment building or similar  
16 multifamily residential dwelling every public safety customer  
17 service which it provides beyond the meter to its other residential  
18 customers. The corporation shall furnish a list of those services to  
19 the master-meter customer, who shall post the list in a conspicuous  
20 place accessible to all users. Every corporation shall provide these  
21 public safety customer services to each user of electrical or gas  
22 service under a submetered system without additional charge unless  
23 the corporation has included the average cost of these services in  
24 the rate differential provided to the master-meter customer on  
25 January 1, 1984, in which case the commission shall deduct the  
26 average cost of providing these public safety customer services  
27 when approving rate differentials for master-meter customers.

28 (d) Every master-meter customer at an apartment building or  
29 similar multifamily residential dwelling is responsible for  
30 maintenance and repair of its submeter facilities beyond the  
31 master-meter, and nothing in this section requires an electrical or  
32 gas corporation to make repairs to or perform maintenance on the  
33 submeter system.

34 (e) Every master-meter customer at an apartment building or  
35 similar multifamily residential dwelling shall provide an itemized  
36 billing of charges for electricity or gas, or both, to each user  
37 generally in accordance with the form and content of bills of the  
38 gas or electrical corporation to its residential customers, including,  
39 but not limited to, the opening and closing readings for the meter,  
40 and the identification of all rates and quantities attributable to each

1 block in the applicable rate structure. The master-meter customer  
2 shall also post, in a conspicuous place, the applicable prevailing  
3 residential gas or electrical rate schedule, as published by the  
4 corporation.

5 (f) The commission shall require that every electrical and gas  
6 corporation shall notify each master-meter customer at an  
7 apartment building or similar multifamily residential dwelling of  
8 its responsibilities to its users under this section.

9 (g) The commission shall accept and respond to complaints  
10 concerning the requirements of this section through the consumer  
11 affairs branch, in addition to any other staff that the commission  
12 deems necessary to assist the complainant. In responding to the  
13 complaint, the commission shall consider the role that the office  
14 of the county sealer in the complainant's county of residence may  
15 have in helping to resolve the complaint and, where appropriate,  
16 coordinate with that office.

17 (h) Notwithstanding any other provision of law or decision of  
18 the commission, the commission shall not deny eligibility for the  
19 California Alternate Rates for Energy (CARE) program, created  
20 pursuant to Section 739.1, for a residential user of gas or electric  
21 service who is a submetered resident or tenant served by a  
22 master-meter customer on the basis that some residential units in  
23 the master-meter customer's apartment building or similar  
24 multifamily residential dwelling do not receive gas or electric  
25 service through a submetered system.

26 SEC. 2. Section 2791 of the Public Utilities Code is amended  
27 to read:

28 2791. (a) The commission shall open a rulemaking or other  
29 appropriate proceeding and adopt criteria for determining when  
30 an owner of a master-metered mobilehome park or manufactured  
31 housing community that provides gas or electric service to residents  
32 shall transfer responsibility for the gas or electric service, along  
33 with those plant, facilities, and interests in real property that the  
34 gas or electrical corporation determines are necessary, convenient,  
35 or cost effective to provide service, to the gas or electrical  
36 corporation providing service in the area in which the park or  
37 community is located. The criteria shall implement the public  
38 purpose that tenants of master-metered mobilehome parks and  
39 manufactured housing communities receive gas and electric service

1 that is as safe and reliable as that which the commission requires  
2 gas and electrical corporations to supply to residential customers.

3 (b) ~~The commission, in consultation with the Department of~~  
4 ~~Housing and Community Development and county departments~~  
5 ~~of weights and measures, shall develop a system for inspections~~  
6 ~~for determining those master-metered mobilehome parks and~~  
7 ~~manufactured housing communities that, under the criteria~~  
8 ~~established by the commission, shall transfer responsibility for the~~  
9 ~~gas or electric service to the gas or electrical corporation providing~~  
10 ~~service in the area in which the park or community is located. The~~  
11 ~~system of inspections shall utilize existing complaint records to~~  
12 ~~establish priorities for inspections and be performed by the~~  
13 ~~Department of Housing and Community Development.~~

14 (c) ~~If the commission finds that a master-metered mobilehome~~  
15 ~~park or manufactured housing community meets the criteria for~~  
16 ~~transfer of responsibility for gas or electric service to the gas or~~  
17 ~~electrical corporation, the commission shall order that the transfer~~  
18 ~~take place. Any transfer shall take place pursuant to this chapter,~~  
19 ~~or as the park or community owner and the serving gas or electrical~~  
20 ~~corporation mutually agree.~~

21 (d) ~~If the commission orders that gas or electric service is to be~~  
22 ~~transferred, the gas or electrical corporation shall either acquire,~~  
23 ~~improve, upgrade, repair, or replace those plant and facilities the~~  
24 ~~gas or electrical corporation determines are necessary, convenient,~~  
25 ~~or cost effective to provide service and undertake the responsibility~~  
26 ~~for operating and maintaining them, or extend its own system in~~  
27 ~~parallel to the existing submetered system, in which case the gas~~  
28 ~~or electrical corporation shall assume no ownership or~~  
29 ~~responsibility for the existing submetered facilities and none of~~  
30 ~~the existing submetered facilities shall be necessary, convenient,~~  
31 ~~or cost effective for the corporation to provide service.~~

32 (e) ~~The owner of a master-metered mobilehome park or~~  
33 ~~manufactured housing community shall provide to the gas or~~  
34 ~~electrical corporation all rights-of-way, rights of ingress and egress,~~  
35 ~~and other property rights that the gas or electrical corporation~~  
36 ~~requires or determines are necessary to complete the evaluation~~  
37 ~~and improvement, upgrade, repair, or replacement of the gas or~~  
38 ~~electric system, or extension of the corporation's own system in~~  
39 ~~parallel to the existing submetered system, and to provide safe~~  
40 ~~electric or gas service.~~



1 (f) A gas or electrical corporation shall not be required, pursuant  
2 to this chapter, to acquire those plant and facilities that are part of  
3 a submetered system that are beyond the master meter that the gas  
4 or electrical corporation determines are not necessary, convenient,  
5 or cost effective to providing gas or electric service to tenants of  
6 the mobilehome park or manufactured housing community.

7 SEC. 3.— Section 2792 of the Public Utilities Code is repealed.

8 SEC. 4.— Section 2792 is added to the Public Utilities Code, to  
9 read:

10 2792. (a) (1) The commission shall require that, if gas or  
11 electric service, or both, is provided by a master-meter customer  
12 to users who are tenants of a mobilehome park or manufactured  
13 housing community, the master-meter customer shall charge each  
14 user of the service at the same rate that would be applicable if the  
15 user were receiving gas or electricity, or both, directly from the  
16 gas or electrical corporation.

17 (2) The commission shall, prior to any transfer of responsibility  
18 for gas or electric service to the gas or electrical corporation,  
19 require the gas or electrical corporation furnishing service to the  
20 master-meter customer to establish uniform rates for master-meter  
21 service at a level that will provide a sufficient differential to cover  
22 the reasonable average costs to master-meter customers of  
23 providing submeter service to tenants of a mobilehome park or  
24 manufactured housing community, except that these costs shall  
25 not exceed the average cost that the corporation would have  
26 incurred in providing comparable services directly to the users of  
27 the service.

28 (b) Every master-meter customer of a gas or electrical  
29 corporation subject to subdivision (a) who receives any rebate  
30 from the corporation shall distribute to, or credit to the account of,  
31 each current user served by the master-meter customer that portion  
32 of the rebate which the amount of gas or electricity, or both,  
33 consumed by the user during the last billing period bears to the  
34 total amount furnished by the corporation to the master-meter  
35 customer during that period.

36 (c) (1) Prior to any transfer of responsibility for gas or electric  
37 service to the gas or electrical corporation, every master-meter  
38 customer providing submetered service to tenants of a mobilehome  
39 park or manufactured housing community is responsible for  
40 maintenance and repair of its submetered facilities beyond the

1 master-meter, and nothing in this section requires a gas or electrical  
2 corporation, prior to any transfer of responsibility for gas or electric  
3 service to the gas or electrical corporation, to make repairs to or  
4 perform maintenance on the submetered system.

5 (2) If the commission finds, prior to any transfer of responsibility  
6 for gas or electric service to the gas or electrical corporation, that  
7 a master-metered mobilehome park or manufactured housing  
8 community owner has failed to maintain or repair its submetered  
9 facilities beyond the master meter, the commission may order the  
10 master-meter customer to maintain or repair those facilities.

11 (3) In addition to any authority granted the commission to make  
12 or enforce orders pursuant to Chapter 11 (commencing with Section  
13 2100) of Part 1, if the commission finds that a master-metered  
14 mobilehome park or manufactured housing community owner has  
15 failed to maintain or repair its submetered facilities beyond the  
16 master meter, the commission shall order the portion of the rate  
17 differential established pursuant to subdivision (a) for an electric  
18 plant or a gas plant be held in trust by the owner to be expended  
19 for maintenance and repair of the submetered facilities or paid to  
20 the gas or electrical corporation assuming responsibility for the  
21 gas or electric service.

22 (d) Every master-meter customer shall, prior to any transfer of  
23 responsibility for gas or electric service to the gas or electrical  
24 corporation, provide an itemized billing of charges for gas or  
25 electricity, or both, to each user generally in accordance with the  
26 form and content of bills of the gas or electrical corporation to its  
27 residential customers, including, but not limited to, the opening  
28 and closing readings for the meter, and the identification of all  
29 rates and quantities attributable to each block in the applicable rate  
30 structure. The master-meter customer shall also post, in a  
31 conspicuous place, the applicable prevailing residential gas or  
32 electrical rate schedule, as published by the corporation.

33 (e) The commission shall require that every gas and electrical  
34 corporation notify each master-meter customer of its  
35 responsibilities to its users under this section.

36 (f) The commission shall accept and respond to complaints  
37 concerning the requirements of this section through the consumer  
38 affairs branch, in addition to any other staff that the commission  
39 deems necessary to assist the complainant. In responding to the  
40 complaint, the commission shall consider the role that the office

1 of the county sealer in the complainant's county of residence may  
2 have in helping to resolve the complaint and, where appropriate,  
3 coordinate with that office.

4 (g) Notwithstanding any other provision of law or decision of  
5 the commission, the commission shall not deny eligibility for the  
6 California Alternate Rates for Energy (CARE) program, created  
7 pursuant to Section 739.1, for a residential user of gas or electric  
8 service who is a submetered resident or tenant served by a  
9 master-meter customer on the basis that some residential units in  
10 the master-meter customer's mobilehome park or manufactured  
11 housing community do not receive gas or electric service through  
12 a submetered system.

13 SEC. 5. Section 2793 of the Public Utilities Code is repealed.

14 SEC. 6. Section 2794 of the Public Utilities Code is repealed.

15 SEC. 7. Section 2795 of the Public Utilities Code is repealed.

16 SEC. 8. Section 2796 of the Public Utilities Code is amended  
17 to read:

18 2796. (a) During the pendency of a transfer of responsibility  
19 for gas or electric service, the owner of the park or community  
20 shall be responsible for the continued maintenance to preserve the  
21 integrity of the park or community gas or electric system and safe  
22 and reliable operation of the park or community system in  
23 accordance with applicable laws, until the gas or electrical  
24 corporation has completed its improvements, upgrades, repairs,  
25 or replacement of the submetered system, or the extension of its  
26 own system in parallel to the existing submetered system, at which  
27 time the owner of the park or community shall transfer to the gas  
28 or electrical corporation all remaining property rights that the gas  
29 or electrical corporation requires or determines are necessary,  
30 convenient, or cost effective to enable the gas or electrical  
31 corporation to do both of the following:

32 (1) Provide gas or electric service to the park or community.

33 (2) Provide gas or electric service to the end-use customers in  
34 the park or community.

35 (b) During the pendency of a transfer of responsibility for gas  
36 or electric service, the owner of the park or community shall be  
37 liable for injury and damage resulting from operation of the  
38 submetered gas and electric system. After completion of the  
39 transfer of responsibility for gas or electric service, including any  
40 transfer of property rights pursuant to subdivision (a), the gas or

1 electrical corporation shall assume responsibility for the provision  
2 of service to residents of the park or community and shall assume  
3 liability for any future injury or damage resulting from operation  
4 of the corporation's gas or electric system. The gas or electrical  
5 corporation shall bear no legal or financial responsibility or liability  
6 for the master-metered gas or electric system of an owner of a park  
7 or community, its operation or maintenance, including any  
8 environmental contamination that may have been caused by the  
9 park or community, or any injury to person or property resulting  
10 from the gas or electric system or its operation, nor shall the gas  
11 or electrical corporation be liable for any claim relating to any  
12 expected timing of the transfer of responsibility of service pursuant  
13 to Section 2791.

14 (c) ~~The commission shall not require the gas or electrical~~  
15 ~~corporation to perform any environmental mitigation on the~~  
16 ~~submetered system of an owner of a park or community. However,~~  
17 ~~to the extent that an electrical or gas corporation determines that~~  
18 ~~there is a need to remove or remediate any part of the submetered~~  
19 ~~system to provide service, the commission may require the park~~  
20 ~~or community owner to perform the removal or remediation prior~~  
21 ~~to the transfer of service to the gas or electrical corporation.~~  
22 ~~Alternatively, the commission may authorize the corporation to~~  
23 ~~perform the removal or remediation, and the commission shall~~  
24 ~~permit the electrical or gas corporation to recover the costs of the~~  
25 ~~removal or remediation in rates.~~

26 (d) ~~To ensure the continuity and safety of service for residents~~  
27 ~~of mobilehome parks and manufactured housing communities, the~~  
28 ~~Department of Housing and Community Development shall ensure~~  
29 ~~that connections to each individual mobilehome or manufactured~~  
30 ~~housing unit meet applicable building code standards prior to the~~  
31 ~~transfer of service to the gas or electrical corporation. The gas or~~  
32 ~~electrical corporation shall not be required to assume service to a~~  
33 ~~mobilehome park or manufactured housing community unless and~~  
34 ~~until all connections to individual homes or units meet applicable~~  
35 ~~building code standards.~~

36 SEC. 9. ~~Section 2797 of the Public Utilities Code is amended~~  
37 ~~to read:~~

38 2797. (a) ~~The commission shall do both of the following:~~

39 (1) ~~On an interim basis, promptly establish balancing accounts~~  
40 ~~or, at the request of the gas or electrical corporation, a~~

1 memorandum account, to permit the gas or electrical corporation  
2 to recover in its revenue requirement and rates the costs the  
3 commission finds reasonable for the corporation's evaluation,  
4 improvement, upgrade, repair, replacement, acquisition, operation,  
5 and maintenance of plant, facilities, and interests in real property  
6 to serve the mobilehome park or manufactured housing community  
7 and the tenants of the park or community.

8 (2) ~~Address in each gas or electrical corporation's next general~~  
9 ~~rate case, or in another appropriate proceeding, a method to replace~~  
10 ~~any interim balancing accounts or memorandum accounts and to~~  
11 ~~permit the gas or electrical corporation to recover in its revenue~~  
12 ~~requirements and rates, consistent with the commission's standard~~  
13 ~~ratemaking practices, the improvement, upgrade, repair,~~  
14 ~~replacement, acquisition, operation, and maintenance of plant,~~  
15 ~~facilities, and interests in real property to serve the mobilehome~~  
16 ~~park or manufactured housing community and the tenants of the~~  
17 ~~park or community.~~

18 (b) ~~The costs recovered by the gas or electrical corporation shall~~  
19 ~~be allocated in accordance with the commission's standard rate~~  
20 ~~design practices and shall not be imposed solely on tenants of~~  
21 ~~master-metered mobilehome parks and manufactured housing~~  
22 ~~communities.~~

23 SEC. 10. ~~Section 2798 of the Public Utilities Code is repealed.~~

24 SEC. 11. ~~Section 2798 is added to the Public Utilities Code,~~  
25 ~~to read:~~

26 2798. (a) ~~By January 1, 2010, the commission shall open a~~  
27 ~~proceeding to adopt rules that authorize gas and electrical~~  
28 ~~corporations to extend corporation-owned lines, plant, facilities,~~  
29 ~~and systems, consistent with applicable laws, standards, and rules~~  
30 ~~for service and line extensions to provide service consistent with~~  
31 ~~the requirements of Section 2791. The rules shall balance the goal~~  
32 ~~of providing residents of mobilehome parks and manufactured~~  
33 ~~housing communities with gas and electric service that is as safe~~  
34 ~~and reliable as that which the commission requires gas and~~  
35 ~~electrical corporations to supply to residential customers and the~~  
36 ~~requirement of fairness to the gas or electrical corporation's~~  
37 ~~ratepayers, who have already reimbursed the master-meter~~  
38 ~~customer for maintenance costs, operating costs, return on~~  
39 ~~investment, and depreciation, as well as other costs associated with~~  
40 ~~providing submetered electric and gas service, through the rate~~

1 differential afforded master-meter customers pursuant to Section  
2 739.5.

3 (b) ~~In adopting rules governing the transfers required by Section~~  
4 ~~2791, the commission shall also adopt a process for ordering the~~  
5 ~~transfer of any plant, facilities, and property rights that the gas or~~  
6 ~~electrical corporation determines are necessary, convenient, or~~  
7 ~~cost effective to provide gas or electric service and to ensure that~~  
8 ~~any reasonable costs associated with the gas or electrical~~  
9 ~~corporation's improvement, upgrade, repair, replacement, or~~  
10 ~~aquisition of the existing submetered system, or the extension of~~  
11 ~~the corporation's own system in parallel to the existing submetered~~  
12 ~~system, and the operation and maintenance of plant and facilities~~  
13 ~~to serve the mobilehome park or manufactured housing community~~  
14 ~~and the tenants of the park or community will be borne by the~~  
15 ~~ratepayers of the serving gas or electrical corporation are collected~~  
16 ~~in rates. The commission shall establish a procedure for identifying~~  
17 ~~mobilehome parks and manufactured housing communities with~~  
18 ~~unsafe or substandard gas or electric systems, shall establish a~~  
19 ~~recommended phase-in schedule for improving, upgrading,~~  
20 ~~repairing, replacing, or extending a corporation's own system in~~  
21 ~~parallel to the existing submetered system, to address those unsafe~~  
22 ~~or substandard systems, and shall prioritize, in coordination with~~  
23 ~~the Department of Housing and Community Development and the~~  
24 ~~county department of weights and measures, the transfer of those~~  
25 ~~gas or electric systems with unsafe or substandard conditions. The~~  
26 ~~phase-in schedule shall take into account the overall feasibility of~~  
27 ~~the schedule, the impact on resources of the gas or electrical~~  
28 ~~corporation required to implement improvements, upgrades,~~  
29 ~~repairs, replacements, or extensions of the corporation's own~~  
30 ~~system in parallel to the existing submetered system, the necessity~~  
31 ~~for coordination of different entities that provide gas and electric~~  
32 ~~service to the master-meter customer, and the financial impact,~~  
33 ~~including the impact on rates. The gas or electrical corporation~~  
34 ~~shall extend its own system in parallel to the existing submetered~~  
35 ~~system or improve, upgrade, repair, or replace the gas or electric~~  
36 ~~system in a manner that conforms to all applicable state and federal~~  
37 ~~codes, standards, regulations, rules, and laws respecting gas and~~  
38 ~~electric systems and consistent with the standards the gas or~~  
39 ~~electrical corporation uses for other facilities it owns, operates,~~  
40 ~~and maintains, and construction to those standards is reasonable~~

1 for purposes of Article 1 (commencing with Section 451) of  
2 Chapter 3 and Article 2 (commencing with Section 727) of Chapter  
3 4 of Part 1.

4 (e) To the maximum extent feasible, the commission shall  
5 establish a recommended phase-in schedule in conjunction with  
6 the gas or electrical corporation's next general rate case proceeding  
7 and shall establish rates that take into account the anticipated costs  
8 of implementing the phase-in schedule established pursuant to  
9 subdivision (b). The commission shall promptly allow further  
10 adjustment of rates to reflect additional costs reasonably incurred  
11 in implementing this chapter, including additional capital  
12 investments.

13 (d) The commission shall require, as a condition for the transfers  
14 of service required by Section 2791, that the gas or electrical  
15 corporation accept as a customer of the utility any tenant of the  
16 mobilehome park or manufactured housing community who, prior  
17 to the transfer, received gas or electric service from the  
18 master-metered customer pursuant to the requirements for  
19 establishing service provided in the corporation's applicable rules  
20 and tariffs.

21 SEC. 12. Section 2799 of the Public Utilities Code is repealed.

22 SEC. 13. No reimbursement is required by this act pursuant to  
23 Section 6 of Article XIII B of the California Constitution because  
24 the only costs that may be incurred by a local agency or school  
25 district will be incurred because this act creates a new crime or  
26 infraction, eliminates a crime or infraction, or changes the penalty  
27 for a crime or infraction, within the meaning of Section 17556 of  
28 the Government Code, or changes the definition of a crime within  
29 the meaning of Section 6 of Article XIII B of the California  
30 Constitution.